

Message Text

SECRET

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44

ACTION NEA-07

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FM AMEMBASSY AMMAN

TO SECSTATE WASHDC IMMEDIATE 6527

INFO AMEMBASSY JIDDA IMMEDIATE

AMCONSUL DHAHRAN IMMEDIATE

S E C R E T AMMAN 10089

LIMDIS

E.O. 11652 GDS

TAGS: ENRG SA JO

SUBJECT: TALK WITH PRIME MINISTER TAPLINE PROBLEM.

REF: AMMAN 10085

1. DURING COURSE OF CONVERSTION WITH PRIME MINISTER DECEMBER 31 HE RAISED WITH ME ON VERY URGENT BASIS CONTINUING DIFFICULTY WITH TAPLINE. HE OUTLINED FOR ME IN BRIEF STATEMENT EFFORTS TOWARD SETTLEMENT REPORTED REFTEL. HE REPEATED THAT JORDAN IS OPTIMISTIC THAT PRESENT SETTLEMENT ARRANGEMENTS WILL GO THROUGH AND THAT SAUDIS WILL REIMBURSE THEM FOR DIFFERENCE BETWEEN \$11.50 PER BARREL AND \$3.00PER BARREL AND THAT TAPLINE WILL SUFFER NO ADVERSE CONSEQUENCES. IN ADDITION HE SAID SETTLEMENT WILL BE COMPREHENSIVE AND COVER PAST DEBTS OF TAPLINE BEFORE SAUDI PAYMENT PICK UP AS OF APRIL 1975. HE SAID DEAL ONLY AWAITS SAUDI OIL MIN YAMANI'S APPROVAL. THEY DO NOT ANTICIPATE DIFFICULTY IN ACHIEVEING THIS SINCE YAMANI'S SUBORDINATES WORKED OUT THE DEAL.

2. MEANWHILE HE SAID URGENT PROBLEM HAS ARISEN. SOME

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TWO WEEKS AGO JORDAN ASKED TAPLINE TO INCREASE DELIVERIES

TO ZARKA REFINERY FROM 3100 TONS PER DAY TO 3500 TONS PER DAY. TAPLINE DECLINED SAYING THEIR GAUGES AND EQUIPMENT WOULD NOT PERMIT THIS. RIFAI SAID HE UNDERSTOOD THEIR RELUCTANCE.

3. FOUR OR FIVE DAYS AGO HOWEVER TAPLINE DELIVERIES DECLINED TO 1100-1200 TONS PER DAY. JORDANIANS TRIED URGENTLY TO CONTACT TAPLINE BUT LOCAL OFFICIALS STRANGELY UNREACHABLE. IN PAST WHEN DELIVERIES DECLINED BECAUSE OF MECHANICAL PROBLEMS TAPLINE HAD ALWAYS INFORMED JORDANIANS. WITH 35,000 TONS IN STORAGE IT WILL NOT TAKE TOO LONG TO RUN OUT OF OIL--RIFAI SAYS TWO OR THREE WEEKS. HE WONDERED WHETHER THIS WAS AN EFFORT BY TAPLINE TO PUT PRESSURE ON THE JORDANIANS.

4. I REVIEWED FOR RIFAI VERY BRIEFLY MY MEETING IN DHAHRAN SOME WEEKS AGO WITH ARAMCO PRESIDENT POWERS. I TOLD RIFAI I DOUBTED THAT TAPLINE WOULD USE THIS DEVICE ESPECIALLY WHEN SAUDIS IN THE PAST HAD ASKED THEM NOT TO. (POWER DID INDICATE HOWEVER TAPLINE PATIENCE WITH JORDAN WAS GROWING THIN. I URGED FOREBEARANCE ON HIS PART MAINLY BECAUSE OF THE POLITICAL COMPLICATIONS AND TOLD HIM THEN I THOUGHT SAUDIS AND JORDANIANS WOULD BE GETTING TOGETHER.)

5. RIFAI ASKED IF WE COULD DO ANYTHING WITH TAPLINE TO AVOID A CONFRONTATION NOW WHEN IT SEEMED CLEAR TO ALL THAT A SETTLEMENT WAS ON THE WAY. HE ASKED WHETHER WE COULD DELIVER A MESSAGE TO TAPLINE INFORMING THEM ON HIS BEHALF THAT SETTLEMENT WAS CLOSE AND ONLY WAITED FOR SAUDI CONFIRMATION AND INQUIRING WHY PUMPING RATES HAD DROPPED BELOW 3100 TONS WHICH TAPLINE HAS HERETOFORE DELIVERED TO JORDANIAN REFINERY.

6. I SAID I WOULD DO WHATEVER I COULD TO GET THE MESSAGE THROUGH TO TAPLINE AUTHORITIES AND SEE IF WE COULD DETERMINE WHY PUMPING HAD SLOWED.

7. WITH APPROVAL OF DEPARTMENT AND JIDDA SUGGEST CONSUL GENERAL DHAHRAN GET IN TOUCH WITH APPROPRIATE

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ARMACO/TAPLINE AUTHORITIES AND PASS ON RIFAI'S MESSAGE. IT WOULD BE HELPFUL ALSO IF WE COULD GET OUR OWN MESSAGE ACROSS TO TAPLINE THAT SETTLEMENT DOES APPEAR CLOSE THAT SAUDIS WOULD PROBABLY REACT AS THEY HAD IN THE PAST TO INAPPROPRIATE SLOWDOWN OF DELIVERIES TO JORDAN PARTICULARLY IN VIEW OF RECENT SUCCESSFUL KING KHALID VISIT HERE, AND THAT IF AS WE HOPE SLOWDOWN WERE PURELY OF A MECHANICAL

VARIETY, WE BE AUTHORIZED TO INFORM JORDANIANS NATURE OF SLOW
DOWN AND WHEN PUMPINT WILL BE RESTABLISHED AT
FULL RATE.

8. RIFAI STRESSED THE NATURE OF HIS CONCERN THAT
JORDAN BE STARVED FOR OIL OR THAT TAPLINE SETTLE
MENT EFFORTS NOT BE THROWN OFF THE TRACKS AND SAID HE
HOPED I COULD HAVE SOME INFORMATION FOR HIM BY
SATURDAY MORNING, JANUARY 3 LOCAL TIME.
PICKERING

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